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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/163,993	09/29/1998	MOHAN ANANDA	04500.913	6131
22804 7590 01/04/2007 THE HECKER LAW GROUP 1925 CENTURY PARK EAST SUITE 2300 LOS ANGELES, CA 90067			EXAMINER ABDI, KAMBIZ	
			ART UNIT	PAPER NUMBER
			3621	
SHORTENED STATUTORY PERIOD OF RESPONSE		MAIL DATE	DELIVERY MODE	
3 MONTHS		01/04/2007	PAPER	

**Please find below and/or attached an Office communication concerning this application or proceeding.**

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

**Office Action Summary**

Application No.

09/163,993

Applicant(s)

ANANDA, MOHAN

Examiner

Kambiz Abdi

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 12 October 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 273-300 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 273-300 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)          | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____                                      |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____  | 6) <input type="checkbox"/> Other: _____                          |

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### DETAILED ACTION

1. The prior office actions are incorporated herein by reference. In particular, the observations with respect to claim language, and response to previously presented arguments.

- Claims 1-272 have been canceled.
- No New claims are added.
- Claims 273-300 are pending.

2. The rejection under 35 USC § 112 2<sup>nd</sup> paragraph has been withdrawn based on the applicant's clarification in the arguments submitted on October 12, 2006.

### *Response to Arguments*

3. Applicant's arguments filed October 12, 2006 have been fully considered but they are not persuasive for the following reasons:

4. The Examiner would like to thank the Applicant for taking the time to provide the Examiner with an *aide memoire* regarding the legal standard for obviousness rejections under 35 U.S.C. 103, and for providing a clarification for the Examiner's benefit. In retort, the Examiner offers this augmentation the Applicant's condensed summary vis-à-vis the obligatory triad of criteria needed to establish a *prima facie* case of obviousness.

5. Applicant argues that a *prima facie* case of obviousness has apparently not been established. In response, the Examiner respectfully submits that obviousness is determined on the basis of the evidence as a whole and the relative persuasiveness of the arguments. See *In re Oetiker*, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992); *In re Hedges*, 783 F.2d 1038, 1039, 228 USPQ 685,686 (Fed. Cir. 1992); *In re Piasecki*, 745 F.2d 1468, 1472, 223 USPQ 785,788 (Fed. Cir. 1984); and *In re Rinehart*, 531 F.2d 1048, 1052, 189 USPQ 143,147 (CCPA 1976). Using this standard, the Examiner respectfully submits that the burden of presenting a *prima facie* case of obviousness has successfully been satisfied, since evidence of corresponding claim elements in the prior art has been presented, and since the Examiner has expressly articulated the combinations and the motivations for combinations that fairly

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suggest Applicant's claimed invention. Note, for example, the motivations explicitly stated in the paragraphs below.

#### MOTIVATION TO COMBINE

6. In response to Applicant's argument that there is no suggestion to combine the references, the Examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992).

7. Furthermore, the Examiner recognizes that references cannot be arbitrarily altered or modified and that there must be some reason why one skilled in the art would be motivated to make the proposed modifications. Although the motivation or suggestion to make modifications must be articulated, it is respectfully submitted that there is no requirement that the motivation to make modifications must be expressly articulated within the references themselves. References are evaluated by what they suggest to one versed in the art, rather than by their specific disclosures, *In re Bozek*, 163 USPQ 545 (CCPA 1969).

8. The Examiner is concerned that the Applicant apparently ignores the mandate of the numerous court decisions supporting the position given above. The issue of obviousness is not determined by what the references expressly state but by what they would reasonably suggest to one of ordinary skill in the art, as supported by decisions in *In re Delisle* 406 Fed 1326, 160 USPQ 806; *In re Kell, Terry and Davies* 208 USPQ 871; and *In re Fine*, 837 F.2d 1071, 1074, 5 USPQ 2d 1596, 1598 (Fed. Cir. 1988) (citing *In re Lalu*, 747 F.2d 703, 705, 223 USPQ 1257, 1258 (Fed. Cir. 1988)). Further, it was determined in *In re Lamberti et al* 192 USPQ 278 (CCPA) that:

- (i) obvious does not require absolute predictability;
- (ii) non-preferred embodiments of prior art must also be considered; and

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(iii) the question is not express teaching of references but what they would suggest.

9. According to *In re Jacoby*, 135 USPQ 317 (CCPA 1962), the skilled artisan is presumed to know something more about the art than only what is disclosed in the applied references. Within *In re Bode*, 193 USPQ 12 (CCPA 1977), every reference relies to some extent on knowledge of persons skilled in the art to complement that which is disclosed therein. In *In re Conrad* 169 USPQ 170 (CCPA), obviousness is not based on express suggestion, but what references taken collectively would suggest.

10. In the instant case, the Examiner respectfully notes that each and every motivation to combine the applied references is accompanied by select portions of the respective references, which specifically support that particular motivation. As such, it is NOT seen that the Examiner's combination of references is unsupported by the applied prior art of record. Rather, it is respectfully submitted that explanation based on the logic and scientific reasoning of one ordinarily skilled in the art at the time of the invention that support a holding of obviousness has been adequately provided by the motivations and reasons indicated by the Examiner, *Ex pane Levengood* 28 USPQ 2d 1300 (Bd. Pat. App. & Inter., 4/22/93).

#### REASONABLE EXPECTATION OF SUCCESS

11. Obviousness requires only a *reasonable* expectation of success (see MPEP 2143.02). This foundation puts forth the standard that one of ordinary skill in the art would recognize a benefit or enhancement by combining the references. Obviousness does not require absolute predictability. It does not require that the benefit must be extraordinary, nor does it necessitate that profit is certain, or success guaranteed. The prior art can be modified or combined to reject claims as prima facie obvious as long as there is a reasonable expectation of success to those of customary proficiency. See *In re Merck & Co., Inc.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986)

12. It is understood that at least some degree of predictability is required, and that the Applicant may present evidence showing that there was no reasonable expectation of success. See *In re Rinehart*, 531 F.2d 1048, 189 USPQ 143 (CCPA 1976). However, this standard should not be mistakenly interpreted as an open door to declare that the Examiner's rationale is lacking any support at all, or that the Examiner's

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rejections do not show success *beyond* a reasonable expectation. Indeed, the standard is one of sensible success, not guaranteed or exceptional success. Evidence showing there was no reasonable expectation of success may support a conclusion of nonobviousness. Such evidence to the contrary must be supplied in support of such an allegation against the Examiner's rejections. Evidence should be clear, analogous to the references and claimed invention, and should not require excessive skill in the art to comprehend.

13. In addition, a reasonable expectation of success does not require that an observer be thoroughly proficient with the art or industry, nor does it require that the success be particularly evident to one of less-than-ordinary skill in the art. MPEP 2141.03 describes the level of ordinary skill in the art. Specifying a particular level of skill is not necessary where the prior art itself reflects an appropriate level. If the only facts of record pertaining to the level of skill in the art are found within the prior art of record, the court has held that an invention may be held to have been obvious without a specific finding of a particular level of skill where the prior art itself reflects an appropriate level. *Chore-Time Equipment, Inc. v. Cumberland Corp.*, 713 F.2d 774, 218 USPQ 673 (Fed. Cir. 1983). See also *Okajima v. Bourdeau*, 261 F.3d 1350, 1355, 59 USPQ2d 1795, 1797 (Fed. Cir. 2001).

#### **THE PRIOR ART MUST TEACH OR SUGGEST ALL OF THE LIMITATIONS**

14. The Applicant's arguments stating that the combination of the prior art of record does not fully disclose nor fairly suggest the claimed invention fails to persuade the Examiner because, as shown in the rejections below, the prior art of record is clearly and unarguably analogous as well as relevant. In addition, Applicant's arguments regarding the teachings of the prior art of record fall short because when combined together, the prior art of record wholly and flawlessly discloses the claimed invention. Applicant should carefully consider revising the claim language to overcome the pending rejections which may place the application in a better condition for allowance.

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15. Whitehouse clearly discloses the use of the secure central storage as it is disclosed (See Whitehouse column 10, line 45-column 11, line 29). It is clearly stated that the use of secure central computer is for the safe keeping of the account records of every meter and user accounts related to such virtual meter. It is well understood and clearly practice by one skill in the art that secure storage is clearly storage that is secure from access by unauthorized users, such secure storage can be achieved by encrypting the data within the database as it has been clearly stated by the Whitehouse (See Whitehouse column 4, lines1-50). Whitehouse clearly states all the limitations stated by the applicants in its claimed invention as part of the original USPS requirements that are well known to one skill in the art of Postage Metering Systems. However, the examiner has provided additional art to provide a clear understanding of state of the art and the claimed limitations, which has been claimed in the claims.

16. Additionally as it has been clearly in the specification and pointed to by the applicant the "cryptographic device" must meet the FIPS 140-1 level 3 requirements for operation and level 4 for physical security that has been set forth by US Postal service, which is clearly called "Postal Security Device" (PSD). And one skill in the art would clearly know that such component (PSD) is an essential part of the process of minting indicia for postage payment (As it can be clearly seen in element 154 of figure 4 in Whitehouse '945, the secure process takes place within the secure device 154. Also reference to column 3, line 47- column 5, line 35) and it is not a new or unexpected result of the claimed steps in the currently submitted claims.

The rejections below have been maintained.

***Claim Rejections - 35 USC § 103***

17. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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18. Claims 273-300 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 6,005,945 to Whitehouse in view of U.S. Patent No. 6,567,794 to Cordery et al. and U.S. Patent No. 4752950 to Le Carpenter.

As per claims 273, 280, and 286, Whitehouse clearly discloses an on-line postage system and method comprising:

- a postage vendor system comprising (See Whitehouse abstract):
- an Internet interface for communication with a plurality of client systems (See Whitehouse figure 4, and associated text, column 7, line 54-column 8, line 3) ;

- a database comprising a plurality of encrypted user account records respectively associated with a plurality of registered users, said user account records each comprising a user private key for digitally signing postal indicia data for postage purchased by a respective registered user, a user meter license number, and user balance information (See Whitehouse column 10, line 45-column 11, line 29); and

- a transaction server having a cryptographic device coupled thereto, wherein said transaction server is configured to use said cryptographic device to process a postage request received from a client system (See Whitehouse column 7, line 54-column 8, line 63, column 27, lines 9-26, and column 12, lines 16-26);

- wherein processing said postage request comprises authenticating said postage request via said cryptographic device by exchanging a random number-based challenge-response with said client system, said cryptographic device accessing in said database an encrypted user account record associated with a registered user of said client system, and updating said encrypted user account record (See Whitehouse column 7, line 54-column 8, line 63, column 27, lines 9-26, and column 12, lines 16-64); and

- an administrator module in communication with said postage vendor system via said Internet interface, said administrator module comprising a statistical analysis report module configured to provide one or more administrator personnel with one or more reports about user transactions occurring at said



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postage vendor system, wherein said administrator module comprises software code executed by a processor. (See Whitehouse column 11, line 60-column 12, line 14).

What is not explicitly disclosed by Whitehouse is the specific user authentication based on a exchange of random number based challenge response. However, Cordery clearly discloses a challenge/response system and method for authenticating a client request in a postage metering system (See Cordery column 9, lines33-column 10, lines 39). In addition it is clearly disclosed by the Cordery reference the use of private key for encryption and decryption of data stored in a datacenter as signed and ciphered text for secure storage as well as integrity of data verification (See Cordery column 7, line 10-column 9, line 15). Therefore, it would have been obvious to a person of ordinary skill in the art at the time of the invention was made to add the authentication step of challenge/response of the Cordry as well as the encryption/decryption method to that of the Whitehouse for further enhancing the security of the communication in addition to better prevention of unauthorized request in addition to securing the storage of the data within the database using secret keys.

Furthermore, Carpenter clearly discloses the monitoring of the user activities by a central system for users, which are geographically dispersed (See Carpenter column 1, line 54-column 2, line 2, column 2, lines 44-66). Therefore, it would have been obvious to a person of ordinary skill in the art at the time of the invention was made toad the teachings of Carpenter to that of Whitehouse for better reporting and access to information pertinent to the control of the dispensed franking of postage indicia.

As per claims 274-279, 281-285, 287-300, Whitehouse modified by Cordery and Le Carpenter teaches a postage meter system providing various types of functionalities such as balance update, fund transfer, updating zip codes, secure communication via Internet, and account record (See Whitehouse figures 4-7, Cordery column 7, line 10-column 9, line 15 and column 9, lines33-column 10, lines 39, and Le Carpenter abstract, figures 1-3 and associated text). As it has been motivated in the above claims rejection.

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Examiner has pointed out particular column and lines in the references contained in the prior arts of record in the body of this action for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the response, to consider fully the entire references as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior arts or disclosed by the examiner.

### ***Conclusion***

Any inquiry of a general nature or relating to the status of this application or concerning this communication or earlier communications from the examiner should be directed to **Kambiz Abdi** whose telephone number is **(571) 272-6702**. The Examiner can normally be reached on Monday-Friday, 9:30am-5:00pm. If attempts to reach the examiner by telephone are unsuccessful, the Examiner's supervisor, **Andrew Fischer** can be reached at **(571) 272-6779**.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see

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Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Any response to this action should be mailed to:

**Commissioner of Patents and Trademarks  
Washington, D.C. 20231**

or faxed to:

**(571) 273-8300** [Official communications; including After Final communications labeled "Box AF"]

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**(571) 273-6702** [Informal/Draft communications, labeled "PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to the Examiner in the

**Knox Building, 50 Dulany St. Alexandria, VA.**

**Kambiz Abdi**  
Primary Examiner  
AU 3621

**KAMBIZ ABDI**  
**PRIMARY EXAMINER**

  
**December 22, 2006**